

BLACKROCK MUNICIPAL INCOME QUALITY TRUST  
Form N-Q  
January 22, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: 811-21178

Name of Fund: BlackRock Municipal Income Quality Trust (BYM)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal Income Quality Trust, 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2016

Date of reporting period: 11/30/2015

Item 1 Schedule of Investments

## Schedule of Investments November 30, 2015 (Unaudited)

## BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

|  | Par        |              |
|--|------------|--------------|
|  | (000)      | Value        |
| <b>Municipal Bonds</b>   |            |              |
| <b>Alabama 4.1%</b>  |            |              |
| City of Birmingham Alabama Airport Authority, ARB (AGM), 5.50%, 7/01/40  | \$ 5,800   | \$ 6,621,048 |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/19 (a)        | 1,495      | 1,743,887    |
| City of Birmingham Alabama, GO, Convertible CAB, Series A1, 0.00%, 3/01/45 (b)(c)(d)   | 1,165      | 1,102,195    |
| County of Jefferson Alabama, RB, Limited Obligation School, Series A, 4.75%, 1/01/25   | 2,800      | 2,816,324    |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/40   | 3,800      | 4,421,908    |
|  |            | 16,705,362   |
| <b>Alaska 0.3%</b>   |            |              |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41                      | 1,070      | 1,213,412    |
| <b>Arizona 0.4%</b>  |            |              |
| State of Arizona, COP, Department of Administration, Series A (AGM):   |            |              |
| 5.00%, 10/01/27  | 1,250      | 1,380,425    |
| 5.25%, 10/01/28  | 250        | 278,375      |
|  |            | 1,658,800    |
| <b>Arkansas 0.1%</b>   |            |              |
| County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42  | 435        | 476,221      |
| <b>California 15.4%</b>  |            |              |
| California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 7/01/39                         | 625        | 710,819      |
| California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, 1st Lien, Series A (AMBAC), 5.00%, 1/01/28 (a) | 10,100     | 13,037,080   |
| California State University, Refunding RB, Systemwide, Series A (AGM) (c):   |            |              |
| 5.00%, 5/01/17 (a)   | 3,040      | 3,228,936    |
| 5.00%, 11/01/32  | 4,960      | 5,223,029    |
|  | <b>Par</b> |              |
| <b>Municipal Bonds</b>   |            |              |
|  | (000)      | Value        |
| <b>California (continued)</b>  |            |              |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42                          | \$ 1,620   | \$ 1,806,624 |
| Coast Community College District, GO, CAB, Election of 2002, Series C (AGM) (a):   |            |              |
| 0.00%, 8/01/16 (d)   | 4,200      | 1,415,022    |
| 5.00%, 8/01/18   | 7,450      | 8,248,566    |
| Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/40                                  | 1,665      | 1,879,785    |
| Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (d):  |            |              |
| 0.00%, 8/01/31   | 13,575     | 6,396,133    |
| 0.00%, 8/01/32   | 14,150     | 6,316,560    |
| Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 8/01/43 (b)                 | 1,580      | 1,136,257    |
| San Diego California Unified School District, GO, Election of 2008, CAB (d):   |            |              |
| Series C, 0.00%, 7/01/38   | 2,000      | 790,900      |
| Series G, 0.00%, 7/01/34   | 725        | 316,223      |
| Series G, 0.00%, 7/01/35   | 775        | 317,587      |
| Series G, 0.00%, 7/01/36   | 1,155      | 445,056      |
| Series G, 0.00%, 7/01/37   | 770        | 279,094      |
| San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 7/01/31 (d)                                 | 1,400      | 790,608      |
| State of California, GO, Refunding, Various Purposes, 5.00%, 10/01/41  | 1,100      | 1,240,151    |
| State of California, GO, Various Purposes, 5.00%, 4/01/42  | 3,000      | 3,388,080    |
| State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/33                                 | 1,415      | 1,723,923    |



## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

|  | Par        |              |
|--|------------|--------------|
|  | (000)      | Value        |
| <b>Municipal Bonds</b>   |            |              |
| <b>California (continued)</b>  |            |              |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/37 (d)   | \$ 10,000  | \$ 4,123,700 |
|  |            | 62,814,133   |
| <b>Colorado 0.6%</b>   |            |              |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 6/01/31   | 960        | 1,095,446    |
| Regional Transportation District, COP, Series A, 5.00%, 6/01/39  | 1,305      | 1,463,349    |
|  |            | 2,558,795    |
| <b>District of Columbia 2.3%</b>   |            |              |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40  | 9,500      | 9,500,855    |
| <b>Florida 15.8%</b>   |            |              |
| City of Tallahassee Florida Energy System Revenue, RB, 5.00%, 10/01/37   | 5,000      | 5,332,150    |
| County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 4/01/39                                | 1,795      | 1,958,291    |
| County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33  | 1,400      | 1,522,066    |
| County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/18 (a)   | 6,750      | 7,556,153    |
| County of Duval Florida School Board, COP, Master Lease Program (AGM), 5.00%, 7/01/17 (a)  | 3,475      | 3,710,848    |
| County of Miami-Dade Florida, Refunding ARB, Aviation, Miami International Airport, Series A-1, 5.50%, 10/01/41                                | 5,000      | 5,707,850    |
| County of Miami-Dade Florida, RB:  |            |              |
| CAB, Special Obligation, Sub-Series A (NPFGC), 0.00%, 10/01/38 (d)   | 15,000     | 4,593,600    |
| Seaport, Series A, 6.00%, 10/01/38   | 2,770      | 3,335,606    |
| County of Miami-Dade Florida Aviation, Refunding ARB, Series A, 5.50%, 10/01/36  | 5,000      | 5,660,300    |
|  | <b>Par</b> |              |
|  | (000)      | Value        |
| <b>Municipal Bonds</b>   |            |              |
| <b>Florida (continued)</b>   |            |              |
| County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, University of Miami, Series A, 5.00%, 4/01/40                     | \$ 3,910   | \$ 4,311,244 |
| County of Miami-Dade Florida Transit System, RB, Surtax (AGM), 5.00%, 7/01/35  | 1,300      | 1,406,535    |
| County of Orange Florida School Board, COP, Series A, 5.00%, 8/01/16 (a)   | 6,000      | 6,185,880    |
| County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39                          | 300        | 331,632      |
| Florida State Department of Environmental Protection, RB, Florida Forever Project, Series B (NPFGC), 5.00%, 7/01/27                            | 6,150      | 6,565,679    |
| Miami Beach Redevelopment Agency, Refunding, Tax Allocation Bond, Tax Increment Revenue (AGM), 5.00%, 2/01/40 (c)                              | 1,250      | 1,377,875    |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/33   | 1,340      | 1,559,787    |
| South Florida Water Management District, COP (AMBAC), 5.00%, 10/01/36  | 1,000      | 1,031,100    |
| Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36  | 2,000      | 2,338,580    |
|  |            | 64,485,176   |
| <b>Georgia 3.0%</b>  |            |              |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 1/01/30   | 7,500      | 9,064,875    |
| County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogtle Project, Series C, 5.70%, 1/01/43                         | 1,250      | 1,348,500    |
| County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A, 5.50%, 8/15/54 | 545        | 637,628      |
| Private Colleges & Universities Authority, RB, Savannah College of Art & Design: 5.00%, 4/01/31  | 210        | 235,337      |

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

|   | Par        |            |
|---|------------|------------|
|   | (000)      | Value      |
| <b>Municipal Bonds</b>  |            |            |
| <b>Georgia (continued)</b>  |            |            |
| Private Colleges & Universities Authority, RB, Savannah College of Art & Design (continued):                        |            |            |
| 5.00%, 4/01/33  | \$ 155     | \$ 172,507 |
| 5.00%, 4/01/44  | 695        | 753,039    |
|   |            | 12,211,886 |
| <b>Hawaii 1.4%</b>  |            |            |
| State of Hawaii Harbor System, RB, Series A, 5.50%, 7/01/35   | 5,000      | 5,684,400  |
| <b>Illinois 14.6%</b>   |            |            |
| City of Chicago Illinois, GO, Refunding, Series A:  |            |            |
| 5.00%, 1/01/34  | 4,305      | 4,350,461  |
| Project, 5.25%, 1/01/33   | 1,315      | 1,357,777  |
| City of Chicago Illinois, Refunding RB, Sales Tax Receipts, Series A, 5.00%, 1/01/41                                | 4,875      | 5,053,230  |
| City of Chicago Illinois O Hare International Airport, Refunding GARB, Senior Lien, Series D, 5.25%, 1/01/34        | 9,800      | 11,110,946 |
| City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien, Series A, 5.63%, 1/01/35                     | 1,525      | 1,765,447  |
| City of Chicago Illinois Transit Authority, RB:   |            |            |
| 5.25%, 12/01/49   | 3,500      | 3,839,255  |
| Sales Tax Receipts, 5.25%, 12/01/36   | 650        | 699,081    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:                            |            |            |
| 5.13%, 12/01/38   | 7,700      | 8,487,710  |
| 5.50%, 12/01/38   | 1,000      | 1,140,040  |
| County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37     |            |            |
|   | 310        | 335,277    |
| Illinois Finance Authority, Refunding RB, Silver Cross Hospital And Medical Centers:                                |            |            |
| 4.13%, 8/15/37  | 3,130      | 3,142,301  |
| 5.00%, 8/15/44  | 390        | 420,124    |
| Illinois State Toll Highway Authority, RB, Series B, 5.00%, 1/01/40 (c)   | 1,170      | 1,322,755  |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project, Series B, 4.25%, 6/15/42 | 755        | 726,506    |
|   | <b>Par</b> |            |
| <b>Municipal Bonds</b>  |            |            |
| <b>Illinois (continued)</b>   |            |            |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28   | \$ 710     | \$ 843,409 |
| State of Illinois, GO:  |            |            |
| 5.25%, 2/01/33  | 2,435      | 2,594,517  |
| 5.50%, 7/01/33  | 880        | 951,254    |
| 5.25%, 2/01/34  | 5,910      | 6,280,439  |
| 5.50%, 7/01/38  | 1,475      | 1,566,907  |
| 5.00%, 2/01/39  | 2,200      | 2,272,842  |
| University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 4/01/39                                   | 1,020      | 1,119,695  |
|   |            | 59,379,973 |
| <b>Indiana 1.9%</b>   |            |            |
| Indiana Finance Authority, RB, CWA Authority Project, 1st Lien, Series A, 5.25%, 10/01/38                           | 1,100      | 1,284,547  |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38   | 5,750      | 6,474,443  |
|   |            | 7,758,990  |
| <b>Iowa 2.2%</b>  |            |            |
| Iowa Finance Authority, RB, Iowa Health Care Facilities:  |            |            |
| Genesis Health System, 5.50%, 7/01/33   | 3,000      | 3,489,930  |
| Series A (AGC), 5.63%, 8/15/37  | 5,000      | 5,618,450  |
|   |            | 9,108,380  |
| <b>Kentucky 0.4%</b>  |            |            |
| State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29                | 1,500      | 1,662,855  |

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### Louisiana 1.3%

|   |       |           |
|---|-------|-----------|
| State of Louisiana Gasoline & Fuels Tax, RB, Series A (AGM), 5.00%, 5/01/16 (a) | 5,000 | 5,097,950 |
|---|-------|-----------|

### Massachusetts 0.4%

|   |       |           |
|---|-------|-----------|
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, 5.00%, 5/15/43 | 1,395 | 1,595,224 |
|---|-------|-----------|

### Michigan 5.3%

|  |       |           |
|--|-------|-----------|
| City of Detroit Michigan Sewage Disposal System, Refunding RB, 2nd Lien, Series E (BHAC), 5.75%, 7/01/31 | 3,000 | 3,275,760 |
|--|-------|-----------|

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2015

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## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

|  | Par          |              |
|--|--------------|--------------|
|  | (000)        | Value        |
| <b>Municipal Bonds</b>   |              |              |
| <b>Michigan (continued)</b>  |              |              |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41                                | \$ 1,100     | \$ 1,295,833 |
| Michigan Finance Authority, RB:  |              |              |
| 5.00%, 12/01/21 (a)  | 30           | 35,979       |
| 5.00%, 12/01/39  | 9,020        | 9,884,837    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series D, 5.00%, 9/01/39               | 1,560        | 1,708,824    |
| State of Michigan Building Authority, Refunding RB, Facilities Program:  |              |              |
| Series I-A, 5.38%, 10/15/36  | 2,000        | 2,298,120    |
| Series I-A, 5.38%, 10/15/41  | 800          | 917,368      |
| Series II-A, 5.38%, 10/15/36   | 1,500        | 1,681,950    |
| Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39                 | 430          | 476,982      |
|  |              | 21,575,653   |
| <b>Nebraska 1.7%</b>   |              |              |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 9/01/37  | 6,345        | 7,011,352    |
| <b>Nevada 1.9%</b>   |              |              |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A:   |              |              |
| 5.25%, 7/01/42   | 3,000        | 3,355,650    |
| (AGM), 5.25%, 7/01/39  | 4,100        | 4,587,736    |
|  |              | 7,943,386    |
| <b>New Jersey 6.5%</b>   |              |              |
| New Jersey EDA, RB, Series WW:   |              |              |
| 5.25%, 6/15/33   | 170          | 180,205      |
| 5.00%, 6/15/34   | 225          | 232,409      |
| 5.00%, 6/15/36   | 1,395        | 1,436,585    |
| 5.25%, 6/15/40   | 400          | 419,888      |
| New Jersey Transportation Trust Fund Authority, RB:  |              |              |
| CAB, Transportation System, Series A, 0.00%, 12/15/38 (d)  | 5,845        | 1,648,231    |
| Transportation Program, Series AA, 5.25%, 6/15/33  | 1,660        | 1,758,438    |
| Transportation Program, Series AA, 5.00%, 6/15/36  | 5,070        | 5,204,406    |
| Transportation Program, Series AA, 5.00%, 6/15/38  | 1,945        | 1,985,612    |
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>   |              |              |
| <b>New Jersey (continued)</b>  |              |              |
| New Jersey Transportation Trust Fund Authority, RB (continued):  |              |              |
| Transportation System, Series A, 5.50%, 6/15/41  | \$ 3,000     | \$ 3,195,540 |
| Transportation System, Series AA, 5.50%, 6/15/39   | 3,785        | 4,067,285    |
| Transportation System, Series B, 5.25%, 6/15/36  | 5,000        | 5,221,900    |
| Transportation System, Series D, 5.00%, 6/15/32  | 900          | 936,504      |
|  |              | 26,287,003   |
| <b>New Mexico 0.1%</b>   |              |              |
| New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 8/01/44                     | 405          | 452,336      |
| <b>New York 2.8%</b>   |              |              |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4, 5.50%, 1/15/33                        | 1,950        | 2,200,887    |
| City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32          | 1,650        | 1,928,850    |
| County of Erie New York Industrial Development Agency, RB, City School District of Buffalo, Series A (AGM), 5.75%, 5/01/17 (a) | 4,500        | 4,825,980    |
| Hudson Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47  | 770          | 878,662      |
| State of New York Dormitory Authority, RB, Series B, 5.75%, 3/15/36  | 1,300        | 1,487,590    |
|  |              | 11,321,969   |



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|  |       |           |
|--|-------|-----------|
| <b>Ohio 0.7%</b>   |       |           |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37      | 610   | 750,361   |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: |       |           |
| 5.25%, 2/15/32   | 780   | 900,619   |
| 5.25%, 2/15/33   | 1,095 | 1,261,254 |
|  |       | 2,912,234 |
| <b>Pennsylvania 2.5%</b>   |       |           |
| Pennsylvania HFA, RB, Series 118B, 4.05%, 10/01/40 (c)                                   | 1,770 | 1,793,258 |

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

|   | Par        |              |
|---|------------|--------------|
|   | (000)      | Value        |
| <b>Municipal Bonds</b>  |            |              |
| <b>Pennsylvania (continued)</b>   |            |              |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 9/01/50 | \$ 4,630   | \$ 5,130,271 |
| Pennsylvania Turnpike Commission, RB:   |            |              |
| Series A, 5.00%, 12/01/38   | 695        | 775,481      |
| Series C, 5.50%, 12/01/33   | 630        | 744,761      |
| Subordinate, Special Motor License Fund, 6.00%, 12/01/36  | 625        | 732,581      |
| Pennsylvania Turnpike Commission, Refunding RB, Series A-1, 5.00%, 12/01/40   | 850        | 952,315      |
|   |            | 10,128,667   |
| <b>Rhode Island 1.4%</b>  |            |              |
| Tobacco Settlement Financing Corp., Refunding RB, Series B, 4.50%, 6/01/45  | 5,855      | 5,807,692    |
| <b>South Carolina 4.2%</b>  |            |              |
| South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39                                    | 260        | 314,493      |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40  | 5,000      | 5,596,850    |
| State of South Carolina Public Service Authority, RB:   |            |              |
| Santee Cooper, Series E, 5.50%, 12/01/53  | 610        | 686,433      |
| Series A, 5.50%, 12/01/54   | 6,960      | 7,877,676    |
| State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series B, 5.00%, 12/01/38                  | 2,360      | 2,608,697    |
|   |            | 17,084,149   |
| <b>Texas 20.2%</b>  |            |              |
| Central Texas Regional Mobility Authority, RB, Senior Lien, Series A, 5.00%, 1/01/40                                      | 570        | 621,636      |
| Central Texas Turnpike System, Refunding RB:  |            |              |
| 2nd Tier, Series C, 5.00%, 8/15/34  | 1,375      | 1,524,242    |
| Series B, 5.00%, 8/15/37  | 2,750      | 3,059,375    |
| City of San Antonio Texas Public Service Board, RB, Junior Lien, 5.00%, 2/01/38   | 615        | 687,060      |
| Comal Texas ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/16 (a)  | 2,500      | 2,519,650    |
|   | <b>Par</b> |              |
| <b>Municipal Bonds</b>  |            |              |
| <b>Texas (continued)</b>  |            |              |
| Coppell Texas ISD, GO, CAB, Refunding (PSF-GTD), 0.00%, 8/15/30 (d)   | \$ 10,030  | \$ 6,557,815 |
| County of Harris Texas, GO, Refunding, (NPFGC) (d):   |            |              |
| 0.00%, 8/15/25  | 7,485      | 5,991,368    |
| 0.00%, 8/15/28  | 10,915     | 7,967,295    |
| County of Harris Texas Houston Sports Authority, Refunding RB (d):  |            |              |
| 3rd Lien, Series A-3 (NPFGC), 0.00%, 11/15/38   | 16,890     | 4,871,583    |
| CAB, Junior Lien, Series H (NPFGC), 0.00%, 11/15/38   | 5,785      | 1,782,185    |
| CAB, Junior Lien, Series H (NPFGC), 0.00%, 11/15/39   | 6,160      | 1,782,704    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/36 (d) | 2,340      | 963,144      |
| Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33   | 1,090      | 1,268,389    |
| Leander ISD, GO, Refunding, CAB, Series D, 0.00%, 8/15/38 (d)   | 3,775      | 1,416,682    |
| Mansfield Texas ISD, GO, School Building (PSF-GTD), 5.00%, 2/15/17 (a)  | 2,980      | 3,136,867    |
| North Texas Tollway Authority, RB:  |            |              |
| CAB, Special Project System, Series B, 0.00%, 9/01/37 (d)   | 1,975      | 766,103      |
| Convertible CAB, Series C, 0.00%, 9/01/45 (b)   | 2,500      | 2,534,625    |
| Special Projects System, Series A, 6.00%, 9/01/41   | 1,000      | 1,210,260    |
| North Texas Tollway Authority, Refunding RB:  |            |              |
| 1st Tier System, Series A, 6.00%, 1/01/28   | 625        | 711,531      |
| 1st Tier System, Series S, 5.75%, 1/01/18 (a)   | 11,615     | 12,781,611   |
| 1st Tier System, Series SE, 5.75%, 1/01/40  | 11,435     | 12,377,587   |
| Series B, 5.00%, 1/01/40  | 2,270      | 2,507,465    |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB:   |            |              |
| Natural Gas Utility Improvements, 5.00%, 12/15/31   | 2,105      | 2,297,776    |



## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

|   | Par      |              |
|---|----------|--------------|
|   | (000)    | Value        |
| <b>Municipal Bonds</b>  |          |              |
| <b>Texas (continued)</b>  |          |              |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB (continued):   |          |              |
| 5.00%, 12/15/32   | \$ 2,540 | \$ 2,782,570 |
|   |          | 82,119,523   |
| <b>Washington 2.4%</b>  |          |              |
| County of King Washington Sewer, Refunding RB (AGM), 5.00%, 1/01/16 (a)   | 2,200    | 2,209,130    |
| Washington Health Care Facilities Authority, RB:  |          |              |
| MultiCare Health System, Remarketing, Series B, 5.00%, 8/15/44  | 2,000    | 2,174,140    |
| MultiCare Health System, Series C (AGC), 5.50%, 8/15/18 (a)   | 4,000    | 4,479,160    |
| Providence Health & Services, Series A, 5.25%, 10/01/39   | 675      | 745,544      |
|   |          | 9,607,974    |
| <b>Wisconsin 0.4%</b>   |          |              |
| State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33 | 1,500    | 1,689,480    |
| <b>Total Municipal Bonds - 114.3%</b>   |          | 465,853,830  |

**Municipal Bonds Transferred to****Tender Option Bond Trusts (e)****Arizona 0.7%**

|  |       |           |
|--|-------|-----------|
| City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Water System, Junior Lien, Series A, 5.00%, 7/01/34 | 1,300 | 1,443,598 |
| Salt River Project Agricultural Improvement & Power District, RB, Electric System, Series A, 5.00%, 1/01/38        | 1,500 | 1,606,770 |
|  |       | 3,050,368 |

**California 3.6%**

|  |       |           |
|--|-------|-----------|
| California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33 (f) | 3,379 | 3,681,802 |
|--|-------|-----------|

**Municipal Bonds Transferred to****Par****Tender Option Bond Trusts (e)****(000)****Value****California (continued)**

|   |          |              |
|---|----------|--------------|
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/17 (a) | \$ 5,000 | \$ 5,360,350 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33                       | 449      | 510,651      |
| San Diego County Water Authority Financing Corp., COP, Refunding, Series A:                                 |          |              |
| 5.00%, 5/01/18 (a)  | 808      | 894,288      |
| 5.00%, 5/01/33  | 4,062    | 4,403,104    |
|   |          | 14,850,195   |

**District of Columbia 0.3%**

|   |       |           |
|---|-------|-----------|
| District of Columbia, RB, Series A, 5.50%, 12/01/30 (f) | 1,080 | 1,255,597 |
|---|-------|-----------|

**Florida 8.0%**

|   |        |            |
|---|--------|------------|
| City of Miami Beach Florida, RB, 5.00%, 9/01/45   | 3,500  | 3,916,675  |
| City of Tallahassee Florida, RB, Energy System (NPFGC), 5.00%, 10/01/32 (f)                       | 3,000  | 3,199,290  |
| County of Highlands Florida Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/36 | 1,800  | 1,879,326  |
| County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42           | 1,950  | 2,154,457  |
| County of Miami-Dade Florida Water & Sewer System (AGM), 5.00%, 10/01/39                          | 10,101 | 11,425,335 |
| County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 8/01/34                        | 6,096  | 6,754,868  |
| State of Florida Board of Education, GO, Series D, 5.00%, 6/01/37 (f)                             | 2,999  | 3,198,135  |
|   |        | 32,528,086 |

**Illinois 10.2%**

|  |       |           |
|--|-------|-----------|
| City of Chicago Illinois, RB, Motor Fuel Tax Project, Series A (AGC), 5.00%, 1/01/38 | 8,310 | 8,469,469 |
|--|-------|-----------|

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|   |        |            |
|---|--------|------------|
| Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 8/15/41                      | 2,400  | 2,823,216  |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42 | 11,748 | 11,931,575 |

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BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2015

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

| Municipal Bonds Transferred to  | Par          |              |
|---|--------------|--------------|
| Tender Option Bond Trusts (e)   | (000)        | Value        |
| <b>Illinois (continued)</b>   |              |              |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 (f)   | \$ 1,400     | \$ 1,548,378 |
| State of Illinois Toll Highway Authority, RB:   |              |              |
| Senior Priority, Series A, 5.00%, 1/01/40   | 3,045        | 3,427,918    |
| Senior Priority, Series B, 5.50%, 1/01/18 (a)   | 4,499        | 4,871,369    |
| Series A, 5.00%, 1/01/38  | 7,714        | 8,488,726    |
|   |              | 41,560,651   |
| <b>Michigan 0.3%</b>  |              |              |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45  | 960          | 1,077,610    |
| <b>Nevada 1.7%</b>  |              |              |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 (f)   | 4,197        | 4,800,163    |
| County of Clark Nevada Water Reclamation District, GO, Limited Tax, Series B, 5.75%, 7/01/34  | 2,024        | 2,327,127    |
|   |              | 7,127,290    |
| <b>New Jersey 0.5%</b>  |              |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (f)   | 2,000        | 2,089,242    |
| <b>New York 9.8%</b>  |              |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 6/15/47 | 6,240        | 7,014,432    |
| City of New York New York Water & Sewer System, Refunding RB, 2nd General Resolution, Fiscal 2014, Series DD, 5.00%, 6/15/35                                    | 1,845        | 2,134,757    |
| Metropolitan Transportation Authority, RB, Sub-Series D-1, 5.25%, 11/15/44  | 3,850        | 4,470,235    |
| New York City Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/30   | 12,500       | 14,726,125   |
| <b>Municipal Bonds Transferred to</b>   | <b>Par</b>   |              |
| <b>Tender Option Bond Trusts (e)</b>  | <b>(000)</b> | <b>Value</b> |
| <b>New York (continued)</b>   |              |              |
| New York State Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 3/15/43  | \$ 5,720     | \$ 6,432,083 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 (f)  | 4,500        | 5,016,465    |
|   |              | 39,794,097   |
| <b>Ohio 0.2%</b>  |              |              |
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 1/01/34  | 620          | 701,741      |
| <b>South Carolina 0.2%</b>  |              |              |
| State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38 (f)   | 600          | 667,488      |
| <b>Texas 1.7%</b>   |              |              |
| City of Houston Texas, Refunding RB, Airport System, Senior Lien, Series A, 5.50%, 7/01/34  | 4,167        | 4,597,371    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38                           | 719          | 804,281      |
| North East Texas ISD, GO, School Building, Series A (PSF-GTD), 5.00%, 8/01/17 (a)(f)  | 1,500        | 1,606,500    |
|   |              | 7,008,152    |
| <b>Utah 1.4%</b>  |              |              |
| Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/18 (a)  | 5,000        | 5,508,350    |
| <b>Virginia 0.1%</b>  |              |              |
| County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35  | 400          | 449,390      |
| <b>Washington 1.9%</b>  |              |              |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/17 (a)   | 3,494        | 3,777,007    |



## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

| Municipal Bonds Transferred to  | Par       |                |
|---|-----------|----------------|
|   | (000)     | Value          |
| <b>Tender Option Bond Trusts (e)</b>  |           |                |
| <b>Washington (continued)</b>   |           |                |
| Washington Health Care Facilities Authority, Refunding RB, Seattle Children's Hospital, Series B, 5.00%, 10/01/38       | \$ 3,210  | \$ 3,812,966   |
|   |           | 7,589,973      |
| <b>Wisconsin 1.6%</b>   |           |                |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group: |           |                |
| Series A, 5.00%, 4/01/42  | 3,520     | 3,842,854      |
| Series C, 5.25%, 4/01/39  | 2,500     | 2,701,975      |
|   |           | 6,544,829      |
| <b>Total Municipal Bonds Transferred to</b>   |           |                |
| <b>Tender Option Bond Trusts 42.2%</b>  |           | 171,803,059    |
| <b>Total Long-Term Investments</b>  |           |                |
| <b>(Cost \$585,054,366) 156.5%</b>  |           | 637,656,889    |
| <b>Short-Term Securities</b>  |           |                |
|   | Shares    | Value          |
| FFI Institutional Tax-Exempt Fund, 0.02% (g)(h)   | 9,502,682 | \$ 9,502,682   |
| <b>Total Short-Term Securities</b>  |           |                |
| <b>(Cost \$9,502,682) 2.3%</b>  |           | 9,502,682      |
| <b>Total Investments</b>  |           |                |
| <b>(Cost \$594,557,048) 158.8%</b>  |           | 647,159,571    |
| <b>Liabilities in Excess of Other Assets (1.0)%</b>   |           | (4,545,994)    |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (24.1)%</b>                        |           | (97,975,431)   |
| <b>VMTP Shares, at Liquidation Value (33.7)%</b>  |           | (137,200,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |           | \$ 407,438,146 |

\* As of November 30, 2015, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|                               |                |
|-------------------------------|----------------|
| Tax cost                      | \$ 499,457,005 |
| Gross unrealized appreciation | \$ 53,670,543  |
| Gross unrealized depreciation | (3,910,983)    |
| Net unrealized appreciation   | \$ 49,759,560  |

## Notes to Schedule of Investments

(a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(b)



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Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of period end.

- (c) When-issued security.
- (d) Zero-coupon bond.
- (e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB Trust Certificates and proceeds received from the sale of the security contributed to the TOB Trust or in the event of a default on the security. In the case of a shortfall or default, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between February 1, 2016 to December 1, 2029 is \$14,459,523.
- (g) During the period ended November 30, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <b>Affiliate</b>                  | <b>Shares Held<br/>at August 31,<br/>2015</b> | <b>Net<br/>Activity</b> | <b>Shares Held<br/>at November 30,<br/>2015</b> | <b>Income</b> |
|-----------------------------------|---|-------------------------|---|---------------|
| FBI Institutional Tax-Exempt Fund | 6,416,284                                     | 3,086,398               | 9,502,682                                       | \$ 303        |

- (h) Represents the current yield as of period end.

## Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

## Derivative Financial Instruments Outstanding as of Period End

## Financial Futures Contracts

| Contracts |                            |            | Notional     | Unrealized   |
|-----------|----------------------------|------------|--------------|--------------|
| Short     | Issue                      | Expiration | Value        | Depreciation |
| (21)      | 5-Year U.S. Treasury Note  | March 2016 | \$ 2,492,273 | \$ (1,176)   |
| (37)      | 10-Year U.S. Treasury Note | March 2016 | \$ 4,678,188 | (9,304)      |
| (20)      | Long U.S. Treasury Bond    | March 2016 | \$ 3,080,000 | (10,498)     |
| (4)       | Ultra U.S. Treasury Bond   | March 2016 | \$ 633,750   | (1,693)      |
| Total     |                            |            |              | \$ (22,671)  |

## Portfolio Abbreviations

|              |   |             |                                |                |   |
|--------------|---|-------------|--------------------------------|----------------|---|
| <b>AGC</b>   | Assured Guarantee Corp.                 | <b>CAB</b>  | Capital Appreciation Bonds     | <b>IDA</b>     | Industrial Development Authority        |
| <b>AGM</b>   | Assured Guaranty Municipal Corp.        | <b>COP</b>  | Certificates of Participation  | <b>ISD</b>     | Independent School District             |
| <b>AMBAC</b> | American Municipal Bond Assurance Corp. | <b>EDA</b>  | Economic Development Authority | <b>LRB</b>     | Lease Revenue Bonds                     |
| <b>ARB</b>   | Airport Revenue Bonds                   | <b>GARB</b> | General Airport Revenue Bonds  | <b>NPFGC</b>   | National Public Finance Guarantee Corp. |
| <b>BARB</b>  | Building Aid Revenue Bonds              | <b>GO</b>   | General Obligation Bonds       | <b>PSF-GTD</b> | Permanent School Fund Guaranteed        |
| <b>BHAC</b>  | Berkshire Hathaway Assurance Corp.      | <b>HFA</b>  | Housing Finance Agency         | <b>RB</b>      | Revenue Bonds                           |

## Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

## Schedule of Investments (concluded)

## BlackRock Municipal Income Quality Trust (BYM)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments are typically categorized as level 3.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Trust's most recent financial statements as contained in its annual report.

As of period end, the following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|                                    | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments:                       |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 637,656,889 |         | \$ 637,656,889 |
| Short-Term Securities              | \$ 9,502,682 |                |         | 9,502,682      |
| <b>Total</b>                       | \$ 9,502,682 | \$ 637,656,889 |         | \$ 647,159,571 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

|   | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>1</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (22,671) |         |         | \$ (22,671) |

<sup>1</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1    | Level 2          | Level 3 | Total            |
|--|------------|------------------|---------|------------------|
| <b>Assets:</b>                               |            |                  |         |                  |
| Cash pledged for financial futures contracts | \$ 154,050 |                  |         | \$ 154,050       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB Trust Certificates                       |            | \$ (97,943,006)  |         | (97,943,006)     |
| VMTP Shares                                  |            | (137,200,000)    |         | (137,200,000)    |
| <b>Total</b>                                 | \$ 154,050 | \$ (235,143,006) |         | \$ (234,988,956) |

During the period ended November 30, 2015, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Quality Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of

BlackRock Municipal Income Quality Trust

Date: January 22, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of

BlackRock Municipal Income Quality Trust

Date: January 22, 2016

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of

BlackRock Municipal Income Quality Trust

Date: January 22, 2016